

## TITLE 10. INVESTMENT

### Chapter 1. Commissioner of Financial Institutions

#### Subchapter 10. Banks

#### Article 11. Securities

#### Subarticle 2. Acquisition of Bank's Own Securities

#### 10.19900. Application for Acquisition of Own Securities by Bank or Trust Company

(a) California law permits a California state-chartered bank or trust company to acquire its own shares if the acquisition is approved in advance by the Commissioner.

(b) An application for acquisition by a bank or trust company of its own shares shall include the following information:

(1) The class and series, as appropriate, of the shares to be acquired.

(2) The number of such shares outstanding and the number of shares to be acquired.

(3) The date or period when the bank or trust company will make the acquisition.

(4) The identity of the seller of the stock.

(5) The price which the bank or trust company will pay for the shares, an explanation of the basis for setting the price, and a description of any other material terms of the acquisition.

(6) In case the bank is an insured nonmember bank, a confirmation that the bank will obtain the consent of the Federal Deposit Insurance Corporation pursuant to Federal Deposit Insurance Act Section 18(i), (12 U.S.C. 1828(i)), if applicable. In case the bank is a member bank, a confirmation that the bank will obtain the consent of the Board of Governors of the Federal Reserve System pursuant to Federal Reserve Act Section 9, Paragraph 11, (12 U.S.C. 329), if applicable.

(7) A copy of all written materials used to effect the acquisition, including the repurchase plan, if any, resolutions of the board of directors, materials to be distributed to shareholders, and any advertisements relating to the acquisition.

(8) An opinion of an attorney at law that the acquisition will comply with all applicable laws.

NOTE: Authority cited: Section 215, Financial Code. Reference: Section 3359, Financial Code.